

Acquisition of Majority Stake in Buffalo Coal

15.06.2022 | [Newsfile](#)

Toronto, June 15, 2022 - [Buffalo Coal Corp.](#) (TSXV: BUF) announces on June 14, 2022, Belvedere Resources DMCC ("the Acquiror") purchased from Resource Capital Fund V L.P. (the "Seller" and together with the Acquiror, the "Parties") 347,945,097 Common Shares in the capital of the Issuer. The Acquiror also assumed a US\$27 million convertible loan (the "Loan") pursuant to a convertible loan agreement between the Seller and the Issuer. The Loan with a maturity date of 30 June 2023 is optionally convertible by the Acquiror into Common Shares in the capital of the Issuer at the conversion rate of CA\$ 0.0469 per common share. The purchase of the Common Shares and the Loan are collectively referred to as the "Transaction" in this release. The Transaction took place by private agreement between the Parties.

The Acquiror purchased the 347,945,097 Common Shares at a price of US\$ 0.001552 per Common Share, for an aggregate purchase price of US\$540,000 (C\$689,958) and acquired the Loan for US\$2,000,000 (C\$2,555,400). The total consideration paid in connection with the Transaction was US\$2,540,000 (C\$3,245,358) (in each case determined using the daily average exchange rate of the Bank of Canada, of 1.2777 at June 10, 2022).

Prior to the completion of the Transaction, the Acquiror did not own any Common Shares of the Issuer. After purchasing the Common Shares and the Loan in connection with the Transaction, the Acquiror owns 82.58 percent of the issued and outstanding Common Shares of the Issuer on a partially diluted basis. The number of common shares to be issued on conversion of the Loan would depend on the prospective exchange rate between US\$ and C\$. For illustrative purpose, 735.563 million Common Shares would be issued on conversion at the daily average exchange rate of the Bank of Canada, of 1.2777 on June 10, 2022, if the conversion had taken place on that date, and fully diluted ownership would be 92.88 percent, comprising of 1,083.51 million common shares in total.

The Acquiror has acquired the Common Shares and will acquire the Common Shares underlying the Loan, if converted on or before the date of maturity of 30 June 2023, for investment purposes with active management participation. The Acquiror may, depending on price, market conditions or other conditions or factors it considers relevant from time to time, increase or decrease its beneficial ownership, control or direction over Common Shares or other securities of the Issuer through market transactions, private agreements or otherwise.

About Buffalo Coal

Buffalo is a coal producer in South Africa. It holds a majority interest in two operating mines through its 100% interest in Buffalo Coal Dundee, a South African company which has a 70% interest in Zinoju. Zinoju holds a 100% interest in the Magdalena bituminous mine, the Aviemore East anthracite mine and the Balgray and North Adit anthracite projects in South Africa. Buffalo Coal has an experienced coal-focused management team.

The Company has its primary listing on the TSX Venture Exchange and has a secondary listing on the Alternative Exchange, operated by the JSE Limited.

Forward-Looking Statements

This press release may contain forward-looking information within the meaning of applicable securities legislation, which reflects the Company's current expectations regarding future events. Forward-looking statements include, but are not limited to, statements with respect to: the completion of the Transaction, the assumption of the Loan by the Acquiror, and the ability or willingness of the Acquiror to acquire some or all of the Common Shares underlying the Loan. Forward looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control,

which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward looking information. The Company does not undertake any obligation to update such forward looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

Neither the TSX Venture Exchange, nor its regulation services provider (as that term is defined in the policies of the exchange), accepts responsibility for the adequacy or accuracy of this release.

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15 June 2022

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/417156--Acquisition-of-Majority-Stake-in-Buffalo-Coal.html>

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